

1 JAN 1962

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Increased Benefits and Improved Management of Members of the Clandestine Services

REFERENCE : Memo to DCI fr DD/P dtd 15 Dec 61, same subject (DD/S 61-4448)

1. In commenting on the recommendations contained in reference memorandum I wish to emphasize that I do not endorse, in fact I strongly disagree with, certain of the concepts of personnel management which are endorsed in the subsidiary memorandum containing the recommendations of the Deputy Director (Plans) Committee of senior officers of the Clandestine Services. In addition, I feel that both memoranda greatly oversimplify the problems involved, the solutions proposed, and fail to identify certain basic policy issues which must be determined before positive courses of action are embarked upon.

2. In spite of these qualifications, I believe I can speak directly and succinctly to the four recommendations contained in paragraph 6 of the DD/P memorandum.

3. I strongly endorse the conclusion that the CIA must have an early retirement program. I believe it can be incontestably proven that there are large segments of Agency activities of very specialized nature in which a substantial proportion of the people involved cannot be assured a full (30-year) working career. The reasons are many and interrelated but they stem from the nature of the Agency's mission and do not reflect on the individuals. To the extent that personnel management practices cannot successfully divert these people at an appropriate time in their careers into less demanding fields of work, they must be separated from the Agency. This can only be done without disastrous morale and recruitment results if a very favorable early retirement annuity program is assured to those whose reasonable career expectations cannot be fulfilled.

4. In this connection you will recall that the CIA Career Council deferred action on the Early Retirement Program until the Agency had completed action on its program for the separation of "surplus" personnel and its related program for separation compensation. The Council has approved reactivation of work on the program, but I doubt whether it can be accomplished during the coming session of Congress unless a very high priority in terms of manpower and attention is afforded the project.

5. The second recommendation of the DD/P calls for the development of standards and procedures for identifying officers who will be eligible for early retirement. The underlying Committee Study appears to contemplate that eligibility would run to certain officers who have been selected into a Foreign Officers Corps. I, on the other hand, do not believe in and would urge against any program to pre-identify persons who would have such eligibility. The justification for a system

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of early retirement lies in the fact that in certain arduous and exacting fields of specialized work CIA cannot reasonably expect and in fact does not desire the individual to serve a full 30-year career. The reasons are complex and interrelated but the fact remains that it will be in the best interests of the Government to remove certain portions of these people from their assigned or chosen career fields. Ideally these people would be reassigned elsewhere in CIA to complete their careers. When this cannot be done with mutual satisfaction such persons should be retired (voluntarily with DCI approval or involuntarily) with an annuity which has been augmented in compensation for the career impairment suffered. If you accept this concept as to the need and justification for an early retirement program, eligibility should not depend upon prior determination as to who will or will not be eligible but by the fact that an individual has fulfilled stipulated terms and conditions of service and the Agency is willing or desirous that he retire early. I accordingly recommend against the concept of prior identification of eligible officers, but of course I recommend the development of service requirements which, if fulfilled, would establish eligibility.

6. The third recommendation is for an increase in the number of positions GS-14 and above to render the grade structure of the Clandestine Services comparable to that of the Foreign Service and the Military Services. I hasten to endorse this proposal and remind you that a few months ago I presented an Agency-wide survey of supergrade requirements. As a part of this survey a substantial increase in supergrades was recommended for the Clandestine Services. Unfortunately the timing was coincidental with the announcement of the pending retirement of Mr. Dulles. As a result the Supergrade Review Board recommended and the DCI approved postponement of action until the new Director was prepared to receive recommendations. I now recommend a review of this survey with the DD/P and its early submission to the Director.

7. The final recommendation that Agency separation compensation benefits be equated to those of the Military Services and the Foreign Service is concurred in. Should the Director consider the more generous payment plan proposed, it is urged that highest priority be given to gaining Executive and Congressional approval so that the many persons who will be separated shortly can receive the more liberal separation payment.

/s/ Emmett D. Echols

Emmett D. Echols
Director of Personnel

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